

United States Senate

WASHINGTON, DC 20510

February 22, 2011

The Honorable Benjamin Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

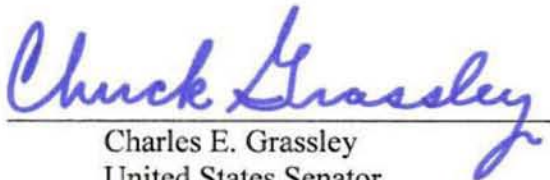
Dear Chairman Bernanke:

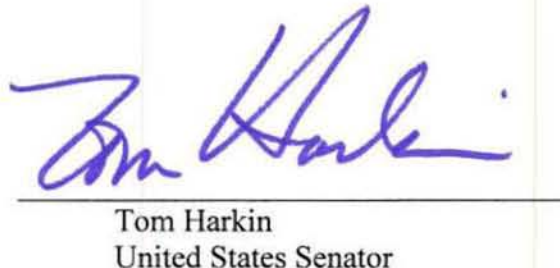
We are writing in regards to Section 1075 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203). The law requires the Federal Reserve to establish standards for assessing whether the amount of any interchange transaction fee is "reasonable and proportional to the actual cost incurred by the issuer or payment card network with respect to the transaction." While we supported the amendment to have the Fed study and act on interchange fees, we also supported the exemption for financial institutions with less than \$10 billion in total assets.

We have received correspondence from concerned constituents that the Fed's proposed rule may not exempt their financial institutions. We would encourage the Federal Reserve to do what it can during the rulemaking process to ensure that only institutions with assets totaling more than \$10 billion will be affected.

We appreciate your attention to this matter and welcome the opportunity to hear from the Fed about the exemption in the near future.

Sincerely,


Charles E. Grassley
United States Senator


Tom Harkin
United States Senator